

Steven L. Beshear Governor

## TRANSPORTATION CABINET

Frankfort, Kentucky 40622 www.transportation.ky.gov/

May 14, 2014

Michael W. Hancock, P.E. Secretary

TO: Recipients of the Kentucky Transportation Cabinet's 2014 Highway Plan

On behalf of Governor Steve Beshear, the Kentucky Transportation Cabinet (KYTC) is pleased to present the 2014 Highway Plan. As required by the Kentucky Revised Statutes, Chapter 176, this Plan is the result of the process through which major highway improvement project phases scheduled for the next six years are submitted to, and enacted by, the Kentucky General Assembly. The 2014 Highway Plan outlines scheduled project phases for FY 2014 through FY 2020.

As we assess the Transportation Cabinet's ability to meet future highway needs, we must recognize that when budgets are tight and projects cost more, careful choices must be made about the type and extent of road system improvements we pursue. Kentucky's highway infrastructure represents a huge public capital investment that must be protected. Accordingly, the 2014 Highway Plan contains many priority operational, maintenance, safety, pavement restoration, and bridge repair projects. As important as upgrading our existing infrastructure is today, the need is also great to adequately provide for the economy of tomorrow.

Including the remaining dollars for Fiscal Year 2014 and looking ahead through the Year 2020, the 2014 Highway Plan is based on expectations that \$6.7 billion of traditional state and federal highway dollars, augmented by approximately \$115 million of previously approved state road bond and \$165 million of federal GARVEE bond proceeds, will be available to address transportation needs throughout the state during that timeframe. It is necessary to note that the annual funding expectations for this edition of the Highway Plan have been roughly balanced against projects scheduled for that year for all of the federal program categories. The State Priority Project (SPP) category was over-programmed by \$600 million in the 2012 Enacted Highway Plan and is over-programmed by approximately \$460 million in this Highway Plan. Other projects have been shown as State Projects (SPs), and the SP account was not funded at all in 2012 and remains as such in this Highway Plan.

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The SPP funding category is supported by an estimated \$1.9 billion in state Road Fund cash over the FY 2014-2020 timeframe. Cash balances are constantly monitored and projects are undertaken on the basis of their anticipated impact to cash flows within the Road Fund. As such, it is conceivable that most of the 2014 Highway Plan's SPP projects will be funded over the life of the Plan.

Providing a safe and reliable transportation system that delivers economic opportunity and enhances the quality of life for all Kentuckians is the objective of the KYTC. The 2014 Highway Plan provides a group of projects built around this objective in order to responsibly address our transportation system priorities within the funding resources available. It is the desire of Governor Beshear that we manage the responsibility for Kentucky's road network effectively and above reproach. We assure the citizens of the Commonwealth that we are working honorably, every day, to build trust and credibility in Kentucky's highway programs.

Sincerely,

Michael W. Haneock

Secretary